

PSC DECIDES SOUTHWESTERN BELL LOCAL PLUS ISSUE

Jefferson City (September 17, 1998)---The Missouri Public Service Commission has rejected tariffs filed by Southwestern Bell Telephone Company (SWBT) seeking to provide Local Plus service.

While the Commission encourages telecommunications companies to come up with programs which expand the calling area for customers, the Commission could not accept SWBT's proposal as currently filed.

As part of its order, the Commission laid out a framework for consideration by SWBT and other telecommunications providers which would enable the Commission to reconsider an expanded calling plan.

The Commission noted in its order: "Although the type of services proposed by SWBT in this case are services the Commission would like to see implemented, the Commission finds that as filed, the proposals are insufficient." SWBT's filing was opposed in some way by every other party to the case.

A central issue in rejecting the tariff was SWBT's request to have Local Plus listed as a "local service" offering. The Commission determined, based upon a thorough review of the testimony in this case, that a Local Plus type of service is "...not appropriately classified as either local or toll, but rather is a hybrid and is more appropriately filed in the company's General Exchange Tariff. The Commission recognizes that in the rapidly changing telecommunications environment certain services are not easily categorized by the traditional 'local' or 'toll' definitions and that services are emerging which contain characteristics of both local and toll."

As a "local service" offering, the service would only be able to be resold, at a discounted rate, to competitive local exchange telephone companies in SWBT's service territory. Long-distance carriers would be prohibited from purchasing the service at the discounted rate. A hybrid would allow for the greatest number of telecommunications providers to be able to purchase the service, at a discount from Southwestern Bell, and resell it to customers. This would enhance the availability of a LATA-wide calling plan which would benefit a greater number of customers in SWBT's service area.

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LOCAL PLUS PROPOSAL: SWBT was seeking Commission authority to offer an optional one-way LATA-wide (IntraLATA) Extended Area Service (EAS) calling plan called Local Plus. Under the proposal, this plan would provide subscribers with flat rate unlimited calling to all customers within a LATA in Missouri. Calls placed by subscribers would be placed using the local dialing pattern (seven digit dialing).

Missouri is divided into four LATAs; the Columbia-Jefferson City market area, the 417 area code, the 816 and 660 area codes and the 314 and 573 area codes with the exception of the Jefferson City-Columbia market area. A call from Cape Girardeau to St. Louis, a call from Branson to Springfield and a call from Kansas City to St. Joseph are examples of IntraLATA calls.

SWBT was proposing to charge residential customers \$30.00 a month for LATA-wide calling, \$20.00 a month if that customer subscribed to MCA (Metropolitan Calling Area) plans offered in Kansas City, Springfield or St. Louis. For business customers, SWBT proposed charging \$60.00 a month for LATA-wide calling, \$40.00 a month if the business customer subscribed to MCA.

As part of its filing, SWBT also sought Commission authority to offer an interim local one-way Community Optional Service (COS) to petitioning exchange customers of SWBT until those exchanges could receive the proposed LATA-wide calling plan. Since the Commission is rejecting the Local Plus tariff and the Interim COS service was filed as part of the same tariff as Local Plus, Interim COS was necessarily also rejected.

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